THE MANITOBA ECONOMY

PROJECTED 2003 PERFORMANCE

MANITOBA
BUREAU OF STATISTICS

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REPORT #4A

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CONSUMER AND BUSINESS INVESTMENT SPENDING LIFT ECONOMIC GROWTH IN 2003:

HIGHLIGHTS: PROJECTED MANITOBA'S GROSS DOMESTIC PRODUCT ESTIMATES FOR 2003

- The Manitoba Bureau of Statistics (MBS) projects that the **Manitoba economy will expand by 1.8% in 2003** down marginally from the revised 2.0% real growth in 2002. **The provincial economy will generate a record $34.4 billion of real market price expenditures this year**. The expenditures are boosted by strong domestic demand, which is driven by several factors including cheaper imported goods and services.

- **In current dollar terms, GDP at market prices is projected to grow by 4.5% in 2003 to $38.4 billion** up from $36.7 billion in 2002.

- *The MBS projected estimates for 2003 are based on detailed year to date survey information on a variety of economic data that is monitored by the Bureau. For the remaining months of the year, trend projections are generated using a macro economic model. These projections provide advance information on the direction and trends in the Manitoba economy in the current year.*

- **Domestic demand is projected to grow by 3.1% in 2003 up from 2.4% in 2002. The growth in 2003 is the strongest performance since 1997.** An historically low interest rate, an appreciating currency, a low unemployment rate and competitive price pressure on goods and services are currently fueling both consumer and business investment spending, especially for housing and related products.

- **Personal spending on consumer goods and services is estimated to grow by 2.2% in 2003 while business investments are projected to expand by 7.4%.** Business investments on non-residential structures and machinery and equipment are expected to increase by 8.3% and 6.9% respectively. For the third year in a row, investment spending on residential structures in the province remains very strong.

- A rapidly appreciating Canadian currency (against the U.S. dollar) has helped lower prices on imported products, especially products from the U.S. The lower prices (deflation) are expected to increase imports of a broad range of items, including machinery and equipment, building materials and automotive parts. For 2003, **total real import levels are projected to grow by 1.7% up from 0.4% in 2002.** International imports are projected to increase 2.9% while inter-provincial imports are expected to see growth of 0.7%.

- Higher real imports lowered Manitoba's GDP growth in 2003. On the other hand, it does signify that the province has been generating higher incomes to sustain these expenditures. Import purchases create value added in the wholesale and retail sectors.

- While the stronger dollar has had a dampening effect on exports of goods and services, it is not the only cause of the slowdown in export demand. Recent geo-economic indicators show a worldwide slowdown of economic activity. The data so far this year indicate that provincial exports are mainly affected by factors other than the dollar. Lower rainfall has significantly reduced hydroelectric generation and exports. Agricultural trade has been affected by trade restrictions following the discovery of Bovine Spongiform Encephalopathy (BSE) disease. Weak industrial demand globally for nickel has reduced metal exports. While manufacturing demand has slowed due to the dollar's rise, it is these other factors that have caused a reduction in projected exports in 2003. **Total real exports are projected to fall by 1.3% in 2003 following a 1.6% decline in 2002.** International exports are projected to decrease by 5.3% while inter-provincial exports are expected to grow by 2.6%.

- Following an exceptional 2002, Manitoba's labour market has softened somewhat in 2003. As a result, **wages salaries and supplementary labour income is projected to increase 3.9% in 2003** following a 4.3% gain in 2002. Industries that are projected to show solid labour income growth are the construction, trade, military and health care sectors.

- **Accrued net farm income is projected to decline to $369 million** in 2003, a decrease of $174 million from the 2002 level. Accrued net farm income provides only part of the story when measuring farm income. Farmers in Manitoba have been negatively impacted on several fronts. Net cash income (receipts-expenses), which represents cash on hand, is down by $365 million or 35.6%. Operating expenses are estimated to increase by 5.8% in 2003.

- The impact of the closure of the U.S. border to Canadian cattle and beef products amid concerns about Bovine Spongiform Encephalopathy (mad cow) disease has had a serious effect on cattle producers in Manitoba. A decline of almost $117 million in livestock receipts is projected in 2003. Direct payments are expected to provide some assistance to the producers under the special BSE payment programs. It is anticipated that direct payments will increase by about 25% in 2003. Even though prices for wheat and canola are estimated to be higher in 2002, crop receipts are projected to decrease almost 8% in 2003 following an exceptionally good year in 2002. **Total farm cash receipts are projected to decline 5.3%** from last year to $3.6 billion.

- **Unincorporated business income**, which includes imputed rent, remains strong in 2003 and is **expected to grow by 7.8%**. In 2003 low interest rates, while stimulating consumer expenditure, will continue to dampen earnings from deposit savings, trusted pensions income and other interest bearing assets.

- With investment income and accrued farm income declining, **personal income growth will be limited to 2.7% this year,** compared with 3.2% growth in 2002. **Personal disposable income is estimated to increase by 2.4%**. The modest growth in disposable income will mark a new record level for discretionary income in the province at $24.5 billion in 2003.

- In the industrial accounts, **real Manitoba's GDP at basic prices is projected to increase by 1.9% in 2003** almost identical to the 2.0% growth estimated for 2002.

- **The Manufacturing sector, which accounts for about 12.9% of industrial production in the province, is expected to accelerate to 2.1% in 2003** up from 1.7% in 2002. Chemical products output is expected to turn around after contracting last year, while transportation equipment output is projected to pick up pace in 2003.

- Buoyed by institutional and commercial projects the **construction sector is expected to grow by 6.0% this year.** Some of the larger projects include the True North Entertainment Complex, the engineering building at the University of Manitoba and the new bridge across the Red River. On the residential side, the province is set to surpass 3,000 home starts again this year. Repair and renovations activity is also continuing at a torrent pace.

- Despite the BSE situation, **real agricultural GDP output is up 5.2 % in 2003**. Wheat production in 2003 increased by 1.9% while barley production was up 7.4%. For the second year in a row, canola production rose sharply by 25.3% and 12.9% in 2002 and 2003 respectively. Both cattle and hog production on local farms has also increased this year. Since real GDP is measured in 1997 prices the increased volumes add value to the sector.

- The recent increase in transactions of new and resale home has helped lift the finance, insurance, real estate and leasing sector to 3.5% in 2003. With over 3,000 new homes constructed in 2002, and the data indicating another solid performance this year, imputed rent is expected to increase in 2003.

NOTE TO USERS

On February 13, 2003 MBS published preliminary economic accounts data for 2002. The February release introduced some notable changes to the GDP accounting methodology, including using the fisher method of estimating real economic growth in the province. Since this publication, Statistics Canada has released revised information for various economic variables that MBS uses in the production of the Manitoba Economic Accounts. (e.g. labour income, corporate profits, personal expenditure and import and export data).

In May 2003, the National Economic Accounts data were also revised back four years that generated some changes to the provincial data series. In addition, anticipated changes in the farm income data due to the 10-year inter-census update have been incorporated.

The extent of the revisions on GDP estimates varies from little or no adjustments to relatively larger shifts in some data series. MBS has been and will continue to work with Statistics Canada to minimize the impact of revisions on Manitoba's GDP accounts.

The current MBS Manitoba Economic Accounts data release incorporates the revised and new information. The changes affect both the level and growth rates of expenditures and income in Manitoba from 1998 to 2002.

Real GDP Growth (million of Chained 1997 dollars)	**1998**	**1999**	**2000**	**2001**	**2002**
MBS October 30, 2003 Release	4.3%	1.7%	3.6%	1.3%	2.0%
MBS Feburary 13, 2003 Release	4.2%	1.8%	2.4%	1.5%	3.1%
Percent Difference	0.1%	-0.1%	1.2%	-0.2%	-1.1%

The above table shows the historical revisions to the MBS real GDP growth rate in percentage terms. Generally, the revisions to real GDP growth have been marginal, with larger revisions occurring in 2000 through 2002. The key source of differences in these years was the adjustments made to the trade data. In 2000 and 2001 exports were increased by $651 and $665 million respectively. In 2002, exports increased by only $273 million. Since the upward revision was lower in 2002 the growth in real exports declined 1.6% compared to the increase of 0.3% published in February 2003.

Details on the revisions for all key expenditure components are provided in Table 9. The net effect of changes to the expenditure components is an overall real GDP increase in 2000 of $364 million, $296 million in 2001 and a decrease of $64 million in 2002.

On November 6, 2003, Statistics Canada will release the Provincial Economic Accounts (PEA) data estimate for 2002. Statistics Canada will incorporate some of the same revisions mentioned above, however, the PEA release will undoubtedly produce further change to the estimates. For the next update of the Manitoba Economic Accounts in February 2004, MBS will include the changes from the PEA.

Estimates for 2003 GDP expenditure, income and farm reconciliation are provided for in this publication. The projected estimates are based on detailed year to date survey information on a variety of economic data that is monitored by the bureau. For the remaining months of the year, trend projections are generated using a macro economic model. These projections provide advance information on the direction and trends in the Manitoba economy in the current year.

The MBS estimates differ from the average of the major private sector provincial forecasts (consensus forecast) monitored by Manitoba Finance and available on MBS InfoNet. Currently, the consensus forecast estimates real growth in 2003 at 2.3%, while the corresponding MBS estimate is 1.8%. On the nominal accounts, the consensus projects 4.0% growth compared with MBS's 4.5%.

GDP Projections for 2003	Real GDP Growth	Nominal GDP Growth
MBS October 30, 2003 Release	1.8%	4.5%
Consensus Forecast	2.3%	4.0%

MBS is estimating higher growth in nominal income and more implicit inflation, therefore, less real growth. We are earning more income and spending more of it outside the province.

It is expected that when the private sector forecasters incorporate the upcoming November PEA revisions from Statistics Canada, the Manitoba economic growth projections for 2003 will be revised downward.

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GRAPHICAL SUMMARY

(1) GDP at Market Prices, Constant 1997 Dollars

(2) Final Domestic Demand, Constant 1997 Dollars

(3) Personal Expenditure, Constant 1997 Dollars

(4) Government Expenditure, Constant 1997 Dollars

(5) Business Expenditure, Constant 1997 Dollars

(6) Total Exports of Goods and Services, Constant 1997 Dollars

(7) International Exports of Goods and Services, Constant 1997 Dollars

(8) Total Imports of Goods and Services, Constant 1997 Dollars

(9) International Imports of Goods and Services, Constant 1997 Dollars

(10) Labour Income, Current Dollars

(11) Accrued Net Farm Income, Current Dollars

(12) Personal Disposable Income, Current Dollars

TABLE SUMMARY

(1) Manitoba Gross Domestic Product, expenditure-based in $1997

(2) Manitoba Gross Domestic Product, expenditure-based in current dollars

(3) Manitoba Gross Domestic Product, income-based in current dollars

(4) Manitoba Personal Income, sources and disposition

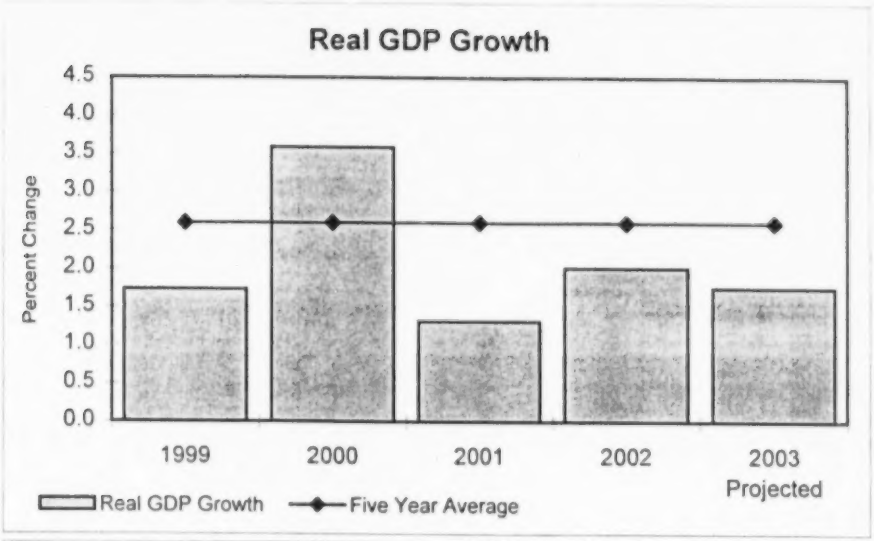
(5) Manitoba Farm Income, reconciliation

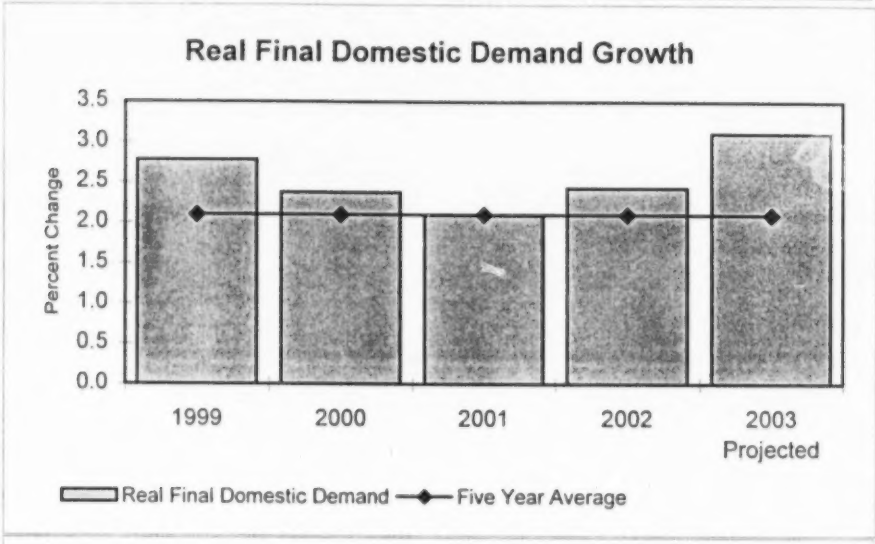
(6) Manitoba Price Indexes (1997 = 100)

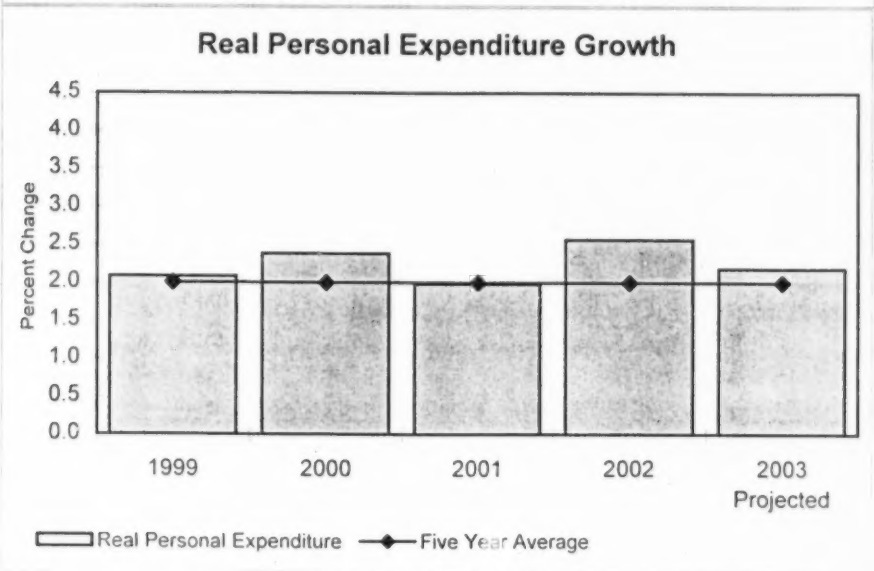
(7) Gross Domestic Product, by Industry

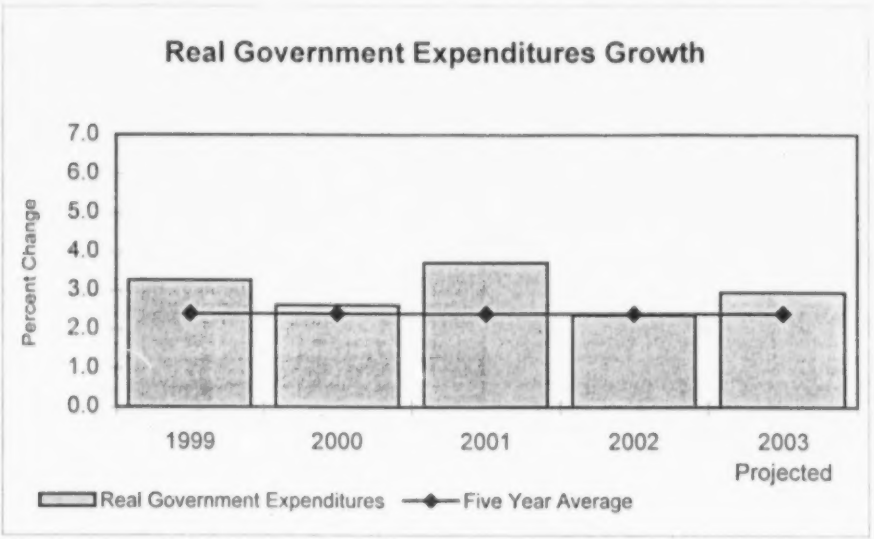
(8) Gross Domestic Product by Industry, Industrial Share

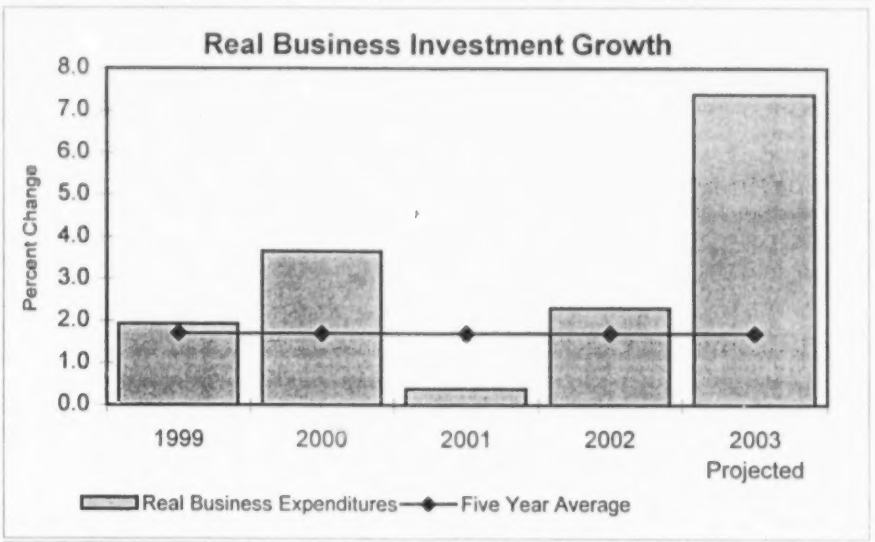
(9) Comparison Between February and October 2003 Publications, Gross Domestic Product, expenditure-based in $1997

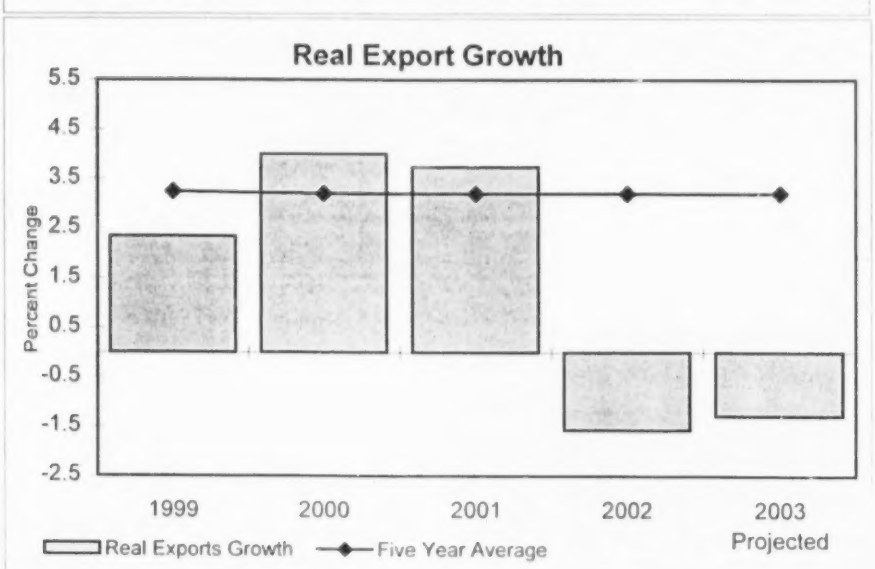

Real GDP Growth
Percent Change
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1999
2000
2001
2002
2003 Projected
Real GDP Growth
Five Year Average

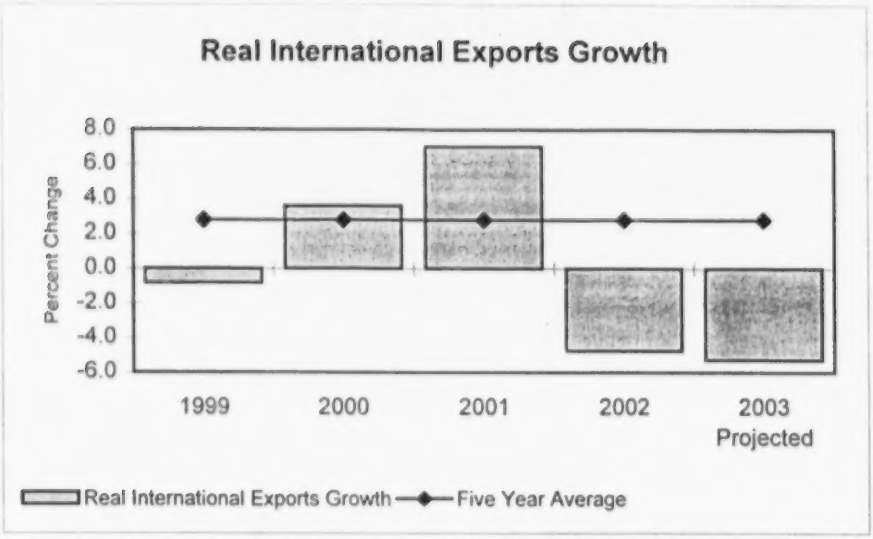

Real Final Domestic Demand Growth
Percent Change
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1999
2000
2001
2002
2003 Projected
Real Final Domestic Demand
Five Year Average

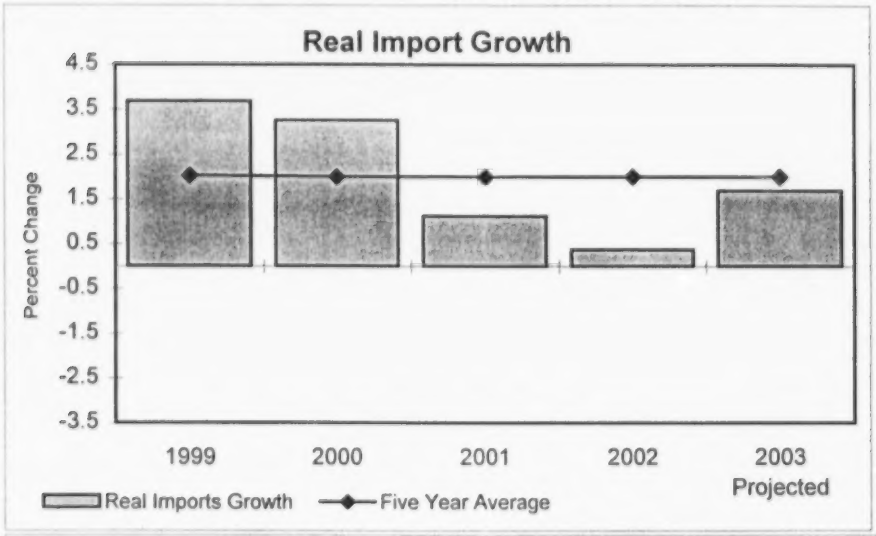

Real Personal Expenditure Growth
Percent Change
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1999
2000
2001
2002
2003 Projected
Real Personal Expenditure
Five Year Average

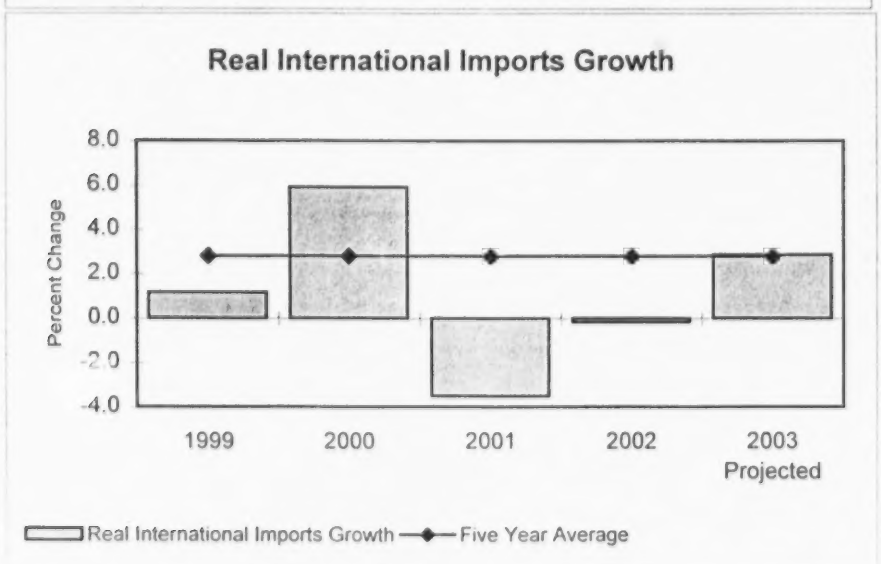

Real Government Expenditures Growth
Percent Change
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
1999
2000
2001
2002
2003 Projected
Real Government Expenditures
Five Year Average

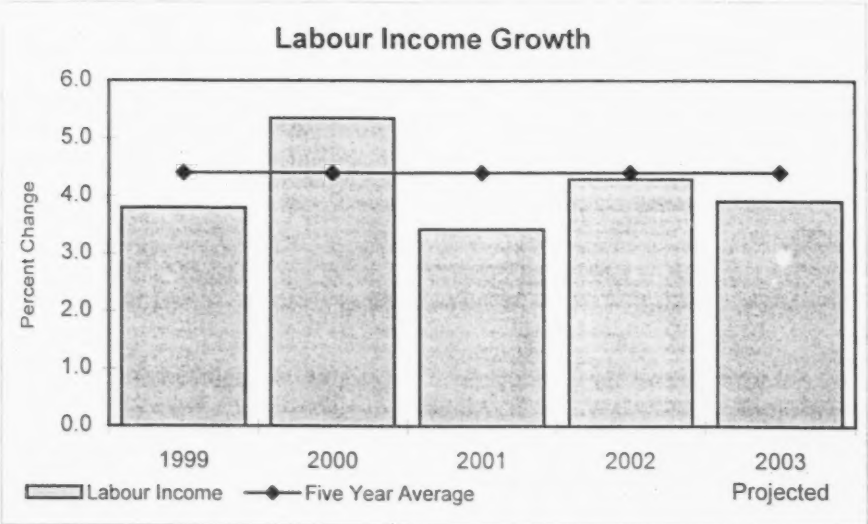

Real Business Investment Growth
Percent Change
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
1999
2000
2001
2002
2003 Projected
Real Business Expenditures
Five Year Average

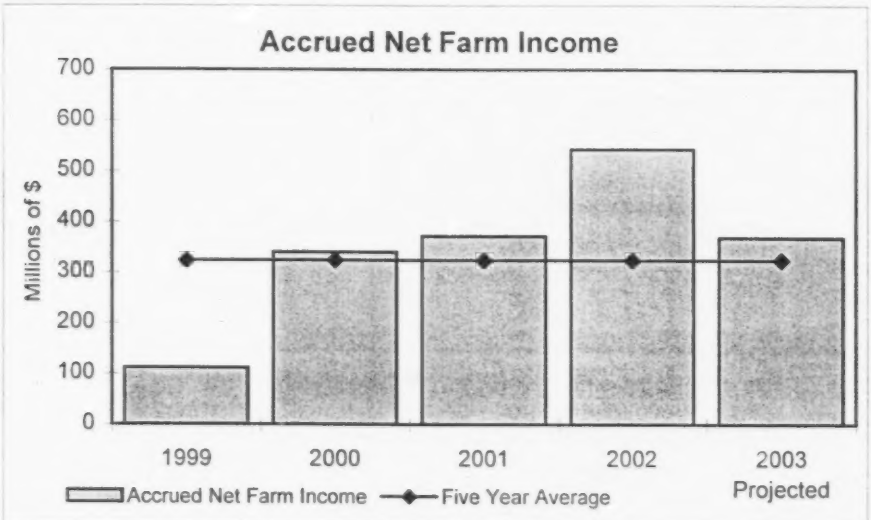

Real Export Growth
Percent Change
5.5
4.5
3.5
2.5
1.5
0.5
-0.5
-1.5
-2.5
1999
2000
2001
2002
2003 Projected
Real Exports Growth
Five Year Average


Real International Exports Growth
8.0
6.0
4.0
2.0
0.0
-2.0
-4.0
-6.0
Percent Change
1999
2000
2001
2002
2003
Projected
Real International Exports Growth
Five Year Average


Real Import Growth
4.5
3.5
2.5
1.5
0.5
-0.5
-1.5
-2.5
-3.5
Percent Change
1999
2000
2001
2002
2003
Projected
Real Imports Growth
Five Year Average


Real International Imports Growth
8.0
6.0
4.0
2.0
0.0
-2.0
-4.0
Percent Change
1999
2000
2001
2002
2003
Projected
Real International Imports Growth
Five Year Average


Labour Income Growth
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Percent Change
1999
2000
2001
2002
2003 Projected
Labour Income
Five Year Average


Accrued Net Farm Income
700
600
500
400
300
200
100
0
Millions of $
1999
2000
2001
2002
2003 Projected
Accrued Net Farm Income
Five Year Average

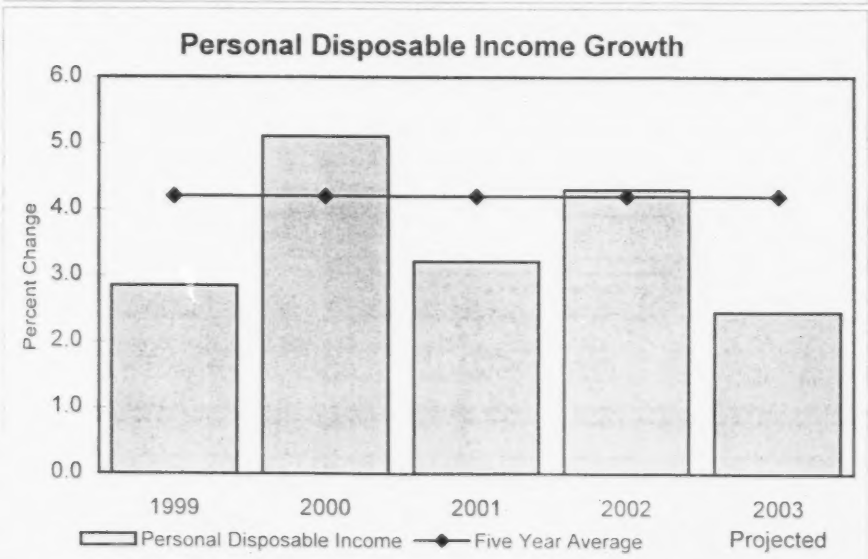

Personal Disposable Income Growth
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Percent Change
1999
2000
2001
2002
2003 Projected
Personal Disposable Income
Five Year Average

TABLE 1

REAL MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
			(MILLIONS OF CHAINED 1997 DOLLARS)				
PERSONAL EXPENDITURE	18,622	18,813	19,205	19,662	20,052	20,567	21,016
		1.0	2.1	2.4	2.0	2.6	2.2
GOVERNMENT EXPENDITURE	6,692	6,698	6,917	7,098	7,361	7,536	7,758
		0.1	3.3	2.6	3.7	2.4	2.9
GOVERNMENT INVESTMENT IN CAPITAL	590	606	763	701	707	707	721
		2.8	25.9	-8.2	0.8	0.1	2.0
STRUCTURES	413	437	529	428	436	433	443
		5.9	21.0	-19.2	2.0	-0.7	2.2
MACHINERY AND EQUIPMENT	177	169	235	284	280	285	289
		-4.7	39.3	20.6	-1.4	1.6	1.5
GOVERNMENT INVESTMENT IN INVENTORIES	0	-1	0	1	0	-2	-2
BUSINESS INVESTMENT	4,789	4,803	4,896	5,074	5,094	5,211	5,596
		0.3	1.9	3.7	0.4	2.3	7.4
RESIDENTIAL STRUCTURES	1,056	1,046	1,007	1,026	1,116	1,266	1,360
		-1.0	-3.7	1.9	8.8	13.4	7.4
NON-RESIDENTIAL STRUCTURES	1,441	1,528	1,314	1,097	1,162	1,193	1,292
		6.0	-14.0	-16.5	5.9	2.6	8.3
MACHINERY AND EQUIPMENT	2,292	2,229	2,580	2,975	2,828	2,755	2,945
		-2.8	15.8	15.3	-4.9	-2.6	6.9
BUSINESS INVESTMENT IN INVENTORIES	380	349	300	566	-59	249	340
NON-FARM	584	268	279	306	26	393	148
FARM	-204	80	11	264	-86	-149	193
EXPORTS OF GOODS AND SERVICES	17,697	19,060	19,505	20,286	21,043	20,713	20,447
		7.7	2.3	4.0	3.7	-1.6	-1.3
EXPORTS TO OTHER COUNTRIES	8,885	9,702	9,622	9,970	10,670	10,162	9,627
		9.2	-0.8	3.6	7.0	-4.8	-5.3
EXPORTS TO OTHER PROVINCES	8,812	9,357	9,883	10,317	10,368	10,551	10,827
		6.2	5.6	4.4	0.5	1.8	2.6
DEDUCT: IMPORTS OF GOODS AND SERVICES	19,020	19,343	20,055	20,709	20,939	21,016	21,370
		1.7	3.7	3.3	1.1	0.4	1.7
IMPORTS FROM OTHER COUNTRIES	9,271	9,559	9,671	10,242	9,883	9,867	10,150
		3.1	1.2	5.9	-3.5	-0.2	2.9
IMPORTS FROM OTHER PROVINCES	9,749	9,781	10,388	10,472	11,051	11,144	11,217
		0.3	6.2	0.8	5.5	0.8	0.7
STATISTICAL DISCREPANCY	-3	56	51	45	-87	-122	-133
REAL GDP AT MARKET PRICES	**29,747**	**31,036**	**31,573**	**32,705**	**33,134**	**33,801**	**34,392**
		4.3	1.7	3.6	1.3	2.0	1.8
REAL FINAL DOMESTIC DEMAND	30,694	30,920	31,779	32,534	33,217	34,025	35,083
		0.7	2.8	2.4	2.1	2.4	3.1

MANITOBA BUREAU OF STATISTICS
October, 2003

TABLE 2

MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
			(MILLIONS OF CURRENT DOLLARS)				
PERSONAL EXPENDITURE	18,622	19,022	19,778	20,629	21,530	22,533	23,469
		2.1	4.0	4.3	4.4	4.7	4.2
GOVERNMENT EXPENDITURE	6,692	6,814	7,163	7,614	7,915	8,335	8,761
		1.8	5.1	6.3	4.0	5.3	5.1
GOVERNMENT INVESTMENT IN CAPITAL	590	610	768	722	730	739	760
		3.4	25.9	-6.0	1.1	1.2	2.8
STRUCTURES	413	443	550	466	478	484	495
		7.4	24.1	-15.4	2.6	1.3	2.3
MACHINERY AND EQUIPMENT	177	167	218	257	252	255	264
		-5.7	30.6	17.6	-1.6	1.0	3.7
GOVERNMENT INVESTMENT IN INVENTORIES	0	-1	0	1	0	-2	-2
BUSINESS INVESTMENT	4,789	4,898	4,960	5,180	5,273	5,478	5,836
		2.3	1.3	4.4	1.8	3.9	6.5
RESIDENTIAL STRUCTURES	1,056	1,054	1,037	1,076	1,197	1,380	1,499
		-0.2	-1.6	3.8	11.2	15.3	8.6
NON-RESIDENTIAL STRUCTURES	1,441	1,562	1,362	1,173	1,267	1,328	1,471
		8.4	-12.8	-13.9	8.0	4.8	10.8
MACHINERY AND EQUIPMENT	2,292	2,281	2,561	2,931	2,809	2,770	2,866
		-0.5	12.3	14.4	-4.2	-1.4	3.4
BUSINESS INVESTMENT IN INVENTORIES	380	257	185	474	-20	150	326
NON-FARM	584	333	332	320	72	402	267
FARM	-204	-76	-147	154	-92	-252	59
EXPORTS OF GOODS AND SERVICES	17,697	19,028	19,569	21,174	22,481	22,472	22,283
		7.5	2.8	8.2	6.2	0.0	-0.8
EXPORTS TO OTHER COUNTRIES	8,885	9,711	9,642	10,482	11,532	11,093	10,571
		9.3	-0.7	8.7	10.0	-3.8	-4.7
EXPORTS TO OTHER PROVINCES	8,812	9,317	9,927	10,692	10,949	11,378	11,712
		5.7	6.6	7.7	2.4	3.9	2.9
DEDUCT: IMPORTS OF GOODS AND SERVICES	19,020	19,690	20,542	22,001	22,752	22,869	22,933
		3.5	4.3	7.1	3.4	0.5	0.3
IMPORTS FROM OTHER COUNTRIES	9,271	9,925	9,958	10,673	10,681	10,663	10,668
		7.1	0.3	7.2	0.1	-0.2	0.0
IMPORTS FROM OTHER PROVINCES	9,749	9,764	10,584	11,328	12,071	12,206	12,265
		0.2	8.4	7.0	6.6	1.1	0.5
STATISTICAL DISCREPANCY	-3	56	52	46	-92	-132	-147
GDP AT MARKET PRICES	**29,747**	**30,994**	**31,934**	**33,840**	**35,065**	**36,704**	**38,353**
		4.2	3.0	6.0	3.6	4.7	4.5
FINAL DOMESTIC DEMAND	30,694	31,344	32,670	34,145	35,448	37,085	38,826
		2.1	4.2	4.5	3.8	4.6	4.7

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TABLE 3

MANITOBA GROSS DOMESTIC PRODUCT
INCOME-BASED IN CURRENT DOLLARS
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
			(MILLIONS OF CURRENT DOLLARS)				
WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME	14,939	15,680	16,275	17,146	17,733	18,493	19,215
		5.0	3.8	5.3	3.4	4.3	3.9
CORPORATION PROFITS BEFORE TAXES	2,320	2,392	2,522	2,917	2,877	3,038	3,430
		3.1	5.4	15.7	-1.4	5.6	12.9
INTEREST AND MISCELLANEOUS INVESTMENT INCOME	2,594	2,632	2,735	2,950	2,945	2,668	2,686
		1.5	3.9	7.9	-0.2	-9.4	0.7
ACCRUED NET INCOME OF FARM OPERATORS	196	253	112	340	371	543	369
		29.5	-55.9	204.1	9.3	46.3	-32.1
NET INCOME OF NON-FARM UNINCORPORATED BUSINESS	2,007	2,119	2,251	2,281	2,382	2,529	2,725
		5.6	6.3	1.3	4.4	6.2	7.8
INVENTORY VALUATION ADJUSTMENT	-32	-65	-74	-140	-61	-47	-18
TAXES LESS SUBSIDIES ON FACTORS OF PRODUCTION	1,655	1,716	1,725	1,739	1,744	1,813	1,854
		3.7	0.5	0.8	0.3	4.0	2.2
NET DOMESTIC PRODUCT AT BASIC PRICES	**23,679**	**24,728**	**25,546**	**27,233**	**27,992**	**29,038**	**30,262**
		4.4	3.3	6.6	2.8	3.7	4.2
TAXES LESS SUBSIDIES ON PRODUCTS	2,260	2,336	2,263	2,349	2,436	2,705	2,814
		3.4	-3.1	3.8	3.7	11.0	4.0
CAPITAL CONSUMPTION ALLOWANCES	3,805	3,987	4,176	4,304	4,545	4,829	5,130
		4.8	4.7	3.1	5.6	6.2	6.2
STATISTICAL DISCREPANCY	3	-56	-52	-46	92	132	147
GROSS DOMESTIC PRODUCT AT MARKET PRICES	**29,747**	**30,994**	**31,934**	**33,840**	**35,065**	**36,704**	**38,353**
		4.2	3.0	6.0	3.6	4.7	4.5
GROSS DOMESTIC PRODUCT AT BASIC PRICES	27,487	28,658	29,671	31,490	32,629	33,999	35,539
		4.3	3.5	6.1	3.6	4.2	4.5

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TABLE 4

MANITOBA PERSONAL INCOME
SOURCES AND DISPOSITION
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
			(MILLIONS OF CURRENT DOLLARS)				
WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME*	15,016	15,738	16,286	17,164	17,741	18,509	19,231
		4.8	3.5	5.4	3.4	4.3	3.9
ACCRUED NET INCOME OF FARM OPERATORS	196	253	112	340	371	543	369
		29.5	-55.9	204.1	9.3	46.3	-32.1
NET INCOME OF NON-FARM UNINCORPORATED BUSINESS	2,007	2,119	2,251	2,281	2,382	2,529	2,725
		5.6	6.3	1.3	4.4	6.2	7.8
INTEREST, DIVIDENDS AND MISCELLANEOUS INVESTMENT INCOME	3,516	3,605	3,722	3,931	3,922	3,575	3,413
		2.5	3.2	5.6	-0.2	-8.8	-4.5
CURRENT TRANSFERS:							
FROM GOVERNMENT	4,223	4,475	4,469	4,649	4,842	5,034	5,262
		6.0	-0.1	4.0	4.2	4.0	4.5
FROM CORPORATIONS	44	38	39	44	45	48	49
		-13.6	2.6	12.8	2.3	6.7	3.1
FROM NON-RESIDENTS	79	84	85	88	92	96	99
		6.3	1.2	3.5	4.5	4.3	2.7
PERSONAL INCOME	**25,080**	**26,312**	**26,964**	**28,497**	**29,396**	**30,335**	**31,149**
		4.9	2.5	5.7	3.2	3.2	2.7
DEDUCT:							
CURRENT TRANSFERS TO GOVERNMENT	5,572	5,725	5,791	6,244	6,428	6,379	6,606
		2.7	1.2	7.8	2.9	-0.8	3.6
EQUALS:							
PERSONAL DISPOSABLE INCOME	**19,508**	**20,587**	**21,173**	**22,253**	**22,968**	**23,956**	**24,542**
		5.5	2.8	5.1	3.2	4.3	2.4
DEDUCT:							
PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES	18,622	19,022	19,778	20,629	21,530	22,533	23,469
		2.1	4.0	4.3	4.4	4.7	4.2
CURRENT TRANSFERS TO CORPORATIONS	211	244	274	337	370	344	352
		15.6	12.3	23.0	9.8	-7.0	2.4
CURRENT TRANSFERS TO NON-RESIDENTS	50	54	57	58	67	68	71
		8.0	5.6	1.8	15.5	1.5	3.9
EQUALS:							
PERSONAL SAVING	625	1,267	1,064	1,229	1,000	1,011	650
		102.7	-16.0	15.5	-18.6	1.0	-35.7
PERSONAL SAVINGS RATE	**3.2**	**6.2**	**5.0**	**5.5**	**4.4**	**4.2**	**2.6**

* LABOUR INCOME BASED ON PROVINCE OF RESIDENCE.

TABLE 5

MANITOBA FARM INCOME
RECONCILIATION
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
			(MILLIONS OF CURRENT DOLLARS)				
TOTAL FARM CASH RECEIPTS	3,037	2,964	2,948	3,162	3,682	3,818	3,615
		-2.4	-0.5	7.3	16.5	3.7	-5.3
CROPS	1,712	1,644	1,416	1,325	1,531	1,891	1,742
		-3.9	-13.9	-6.5	15.6	23.5	-7.9
LIVESTOCK	1,200	1,217	1,291	1,530	1,759	1,717	1,600
		1.4	6.1	18.5	15.0	-2.4	-6.8
DIRECT PAYMENTS	142	92	216	287	382	219	273
		-35.2	134.6	32.9	33.1	-42.7	24.5
MINUS: OPERATING EXPENSES	2,326	2,366	2,367	2,565	2,773	2,794	2,955
		1.7	0.1	8.4	8.1	0.7	5.8
= NET CASH INCOME	**712**	**599**	**581**	**596**	**909**	**1024**	**659**
		-15.9	-3.0	2.7	52.5	12.7	-35.6
PLUS: INCOME IN KIND	10	8	10	9	9	9	9
		-13.5	15.1	-10.8	0.0	0.2	-2.4
MINUS: DEPRECIATION CHARGES	374	374	388	385	398	411	428
		0.0	3.8	-0.7	3.2	3.5	4.1
= REALIZED NET INCOME	**347**	**233**	**202**	**220**	**520**	**622**	**239**
		-32.9	-13.2	8.5	136.8	19.5	-61.5
PLUS: VALUE OF INVENTORY CHANGE	-130	45	-28	181	-75	-20	206
MINUS: AMOUNTS INCLUDED IN OTHER COMPONENTS OF GDP	66	66	45	48	49	48	45
		0.0	-31.8	6.7	2.1	-2.0	-6.3
PLUS: FARM CASH ADJUSTMENTS	36	36	-32	-1	-13	-7	-18
= NET INCOME RECEIVED BY FARM OPERATORS FROM FARM PRODUCTION	**188**	**248**	**98**	**351**	**383**	**547**	**382**
		32.3	-60.6	258.8	9.3	42.8	-30.1
PLUS: ADJUSTMENT ON GRAIN TRANSACTIONS	8	5	14	-11	-12	-4	-14
= ACCRUED NET INCOME OF FARM OPERATORS	**196**	**253**	**112**	**340**	**371**	**543**	**369**
		29.5	-55.9	204.1	9.3	46.3	-32.1

TABLE 6

MANITOBA PRICE INDEXES
(CHAINED 1997 DOLLARS)
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
PERSONAL EXPENDITURE	100.0	101.1	103.0	104.9	107.4	109.6	111.7
		1.1	1.8	1.9	2.3	2.0	1.9
GOVERNMENT EXPENDITURE	100.0	101.7	103.6	107.3	107.5	110.6	112.9
		1.7	1.8	3.6	0.2	2.9	2.1
GOVERNMENT INVESTMENT IN CAPITAL	100.0	100.6	100.7	103.0	103.4	104.5	105.4
		0.6	0.0	2.4	0.3	1.1	0.8
STRUCTURES	100.0	101.4	104.0	108.9	109.6	111.8	111.9
		1.4	2.6	4.7	0.6	2.0	0.1
MACHINERY AND EQUIPMENT	100.0	98.9	92.7	90.4	90.2	89.6	91.6
		-1.1	-6.3	-2.5	-0.2	-0.6	2.1
BUSINESS INVESTMENT	100.0	102.0	101.3	102.1	103.5	105.1	104.3
		2.0	-0.6	0.7	1.4	1.6	-0.8
RESIDENTIAL STRUCTURES	100.0	100.8	103.0	104.9	107.3	109.0	110.3
		0.8	2.2	1.9	2.3	1.6	1.1
NON-RESIDENTIAL STRUCTURES	100.0	102.2	103.7	106.9	109.0	111.3	113.9
		2.2	1.4	3.1	2.0	2.2	2.3
MACHINERY AND EQUIPMENT	100.0	102.4	99.3	98.5	99.3	100.6	97.3
		2.4	-3.0	-0.7	0.8	1.3	-3.2
EXPORTS OF GOODS AND SERVICES	100.0	99.8	100.3	104.4	106.8	108.5	109.0
		-0.2	0.5	4.0	2.4	1.6	0.5
EXPORTS TO OTHER COUNTRIES	100.0	100.1	100.2	105.1	108.1	109.2	109.8
		0.1	0.1	4.9	2.8	1.0	0.6
EXPORTS TO OTHER PROVINCES	100.0	99.6	100.4	103.6	105.6	107.8	108.2
		-0.4	0.9	3.2	1.9	2.1	0.3
DEDUCT: IMPORTS OF GOODS AND SERVICES	100.0	101.8	102.4	106.2	108.7	108.8	107.3
		1.8	0.6	3.7	2.3	0.1	-1.4
IMPORTS FROM OTHER COUNTRIES	100.0	103.8	103.0	104.2	108.1	108.1	105.1
		3.8	-0.8	1.2	3.7	0.0	-2.7
IMPORTS FROM OTHER PROVINCES	100.0	99.8	101.9	108.2	109.2	109.5	109.3
		-0.2	2.1	6.2	1.0	0.3	-0.2
GDP AT MARKET PRICES	100.0	99.9	101.1	103.5	105.8	108.6	111.5
		-0.1	1.3	2.3	2.3	2.6	2.7
FINAL DOMESTIC DEMAND	100.0	101.4	102.8	105.0	106.7	109.0	110.7
		1.4	1.4	2.1	1.7	2.1	1.5

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TABLE 7

REAL GROSS DOMESTIC PRODUCT BY INDUSTRY*
BASIC PRICES
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
	(Millions of Dollars, 1997 Prices)						
AGRICULTURE	1,239	1,454	1,446	1,585	1,353	1,397	1,469
		17.3	-0.5	9.6	-14.7	3.2	5.2
FORESTRY, FISHING & HUNTING	84	67	92	98	98	100	102
		-20.9	37.2	6.7	0.4	1.5	2.8
MINING, OIL & GAS EXTRACTION	616	615	543	664	663	601	576
		-0.2	-11.6	22.2	-0.2	-9.2	-4.3
UTILITIES	1,103	1,030	972	1,004	1,007	959	879
		-6.6	-5.7	3.3	0.3	-4.8	-8.3
CONSTRUCTION	1,299	1,400	1,358	1,216	1,550	1,547	1,640
		7.7	-3.0	-10.5	27.5	-0.2	6.0
MANUFACTURING	3,690	3,826	3,662	3,971	3,952	4,021	4,105
		3.7	-4.3	8.4	-0.5	1.7	2.1
WHOLESALE TRADE	1,597	1,782	1,839	1,872	1,874	2,010	2,063
		11.6	3.2	1.8	0.1	7.3	2.6
RETAIL TRADE	1,469	1,559	1,682	1,762	1,818	1,928	1,960
		6.1	7.9	4.7	3.2	6.0	1.6
TRANSPORTATION & WAREHOUSING	1,909	1,922	2,062	2,110	2,057	2,027	2,034
		0.7	7.3	2.3	-2.5	-1.5	0.4
INFORMATION & CULTURAL INDUSTRIES & ARTS & ENTERTAINMENT	1,046	1,151	1,191	1,288	1,343	1,421	1,462
		10.0	3.5	8.1	4.3	5.8	2.9
FINANCE & INSURANCE & REAL ESTATE & RENTAL & LEASING	5,417	5,555	5,691	5,889	6,045	6,270	6,491
		2.6	2.4	3.5	2.6	3.7	3.5
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES	657	712	827	764	765	759	769
		8.3	16.1	-7.5	0.1	-0.8	1.3
MANAGEMENT OF COMPANIES & ENTERPRISES & ADMINISTRATIVE & OTHER SUPPORT	336	415	480	451	469	499	511
		23.5	15.6	-6.0	4.0	6.3	2.4
EDUCATION SERVICES	1,484	1,492	1,540	1,546	1,544	1,536	1,558
		0.6	3.2	0.4	-0.2	-0.5	1.4
HEALTH CARE & SOCIAL SERVICES	2,033	2,095	2,163	2,179	2,183	2,233	2,248
		3.0	3.2	0.7	0.2	2.3	0.6
ACCOMMODATION AND FOOD SERVICES	656	692	689	773	777	777	781
		5.4	-0.5	12.2	0.6	0.0	0.5
OTHER SERVICES	777	801	779	830	863	877	890
		3.1	-2.7	6.4	4.0	1.6	1.5
PUBLIC ADMINISTRATION	2,066	2,102	2,151	2,211	2,246	2,261	2,285
		1.8	2.3	2.8	1.6	0.7	1.1
GROSS DOMESTIC PRODUCT AT BASIC PRICES	**27,479**	**28,670**	**29,165**	**30,211**	**30,607**	**31,223**	**31,823**
		4.3	1.7	3.6	1.3	2.0	1.9

* BASED ON THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

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TABLE 8

REAL GROSS DOMESTIC PRODUCT BY INDUSTRY*
INDUSTRIAL SHARE
1997 - 2003

	1997	1998	1999	2000	2001	2002	2003 Projected
				(Percent Change)			
AGRICULTURE	4.5	5.1	5.0	5.2	4.4	4.5	4.6
FORESTRY, FISHING & HUNTING	0.3	0.2	0.3	0.3	0.3	0.3	0.3
MINING, OIL & GAS EXTRACTION	2.2	2.1	1.9	2.2	2.2	1.9	1.8
UTILITIES	4.0	3.6	3.3	3.3	3.3	3.1	2.8
CONSTRUCTION	4.7	4.9	4.7	4.0	5.1	5.0	5.2
MANUFACTURING	13.4	13.3	12.6	13.1	12.9	12.9	12.9
WHOLESALE TRADE	5.8	6.2	6.3	6.2	6.1	6.4	6.5
RETAIL TRADE	5.3	5.4	5.8	5.8	5.9	6.2	6.2
TRANSPORTATION & WAREHOUSING	6.9	6.7	7.1	7.0	6.7	6.5	6.4
INFORMATION & CULTURAL INDUSTRIES & ARTS & ENTERTAINMENT	3.8	4.0	4.1	4.3	4.4	4.6	4.6
FINANCE & INSURANCE & REAL ESTATE & RENTAL & LEASING	19.7	19.4	19.5	19.5	19.8	20.1	20.4
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES	2.4	2.5	2.8	2.5	2.5	2.4	2.4
MANAGEMENT OF COMPANIES & ENTERPRISES & ADMINISTRATIVE & OTHER SUPPORT	1.2	1.4	1.6	1.5	1.5	1.6	1.6
EDUCATION SERVICES	5.4	5.2	5.3	5.1	5.0	4.9	4.9
HEALTH CARE & SOCIAL SERVICES	7.4	7.3	7.4	7.2	7.1	7.2	7.1
ACCOMMODATION AND FOOD SERVICES	2.4	2.4	2.4	2.6	2.5	2.5	2.5
OTHER SERVICES	2.8	2.8	2.7	2.7	2.8	2.8	2.8
PUBLIC ADMINISTRATION	7.5	7.3	7.4	7.3	7.3	7.2	7.2
GROSS DOMESTIC PRODUCT AT BASIC PRICES	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* BASED ON THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

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TABLE 9

REAL MANITOBA GROSS DOMESTIC PRODUCT EXPENDITURE-BASED
COMPARISON BETWEEN OCTOBER AND FEBRUARY 2003 PUBLICATIONS
1997 - 2002

	1997	1998	1999	2000	2001	2002
	(MILLIONS OF CHAINED 1997 DOLLARS)					
PERSONAL EXPENDITURE	0	-1	-3	-4	-5	-181
GOVERNMENT EXPENDITURE	0	0	0	0	0	36
GOVERNMENT INVESTMENT IN CAPITAL	0	0	0	-15	-45	-72
GOVERNMENT INVESTMENT IN INVENTORIES	0	0	0	0	0	-2
BUSINESS INVESTMENT	0	-5	2	1	104	123
BUSINESS INVESTMENT IN INVENTORIES	0	-32	-33	-55	144	115
EXPORTS OF GOODS AND SERVICES	0	5	2	651	665	273
EXPORTS TO OTHER COUNTRIES	-54	-36	-19	183	641	79
EXPORTS TO OTHER PROVINCES	54	41	21	469	17	192
DEDUCT: IMPORTS OF GOODS AND SERVICES	0	0	0	0	290	125
IMPORTS FROM OTHER COUNTRIES	0	0	0	0	297	157
IMPORTS FROM OTHER PROVINCES	0	0	0	0	0	-28
REAL GDP AT MARKET PRICES	**-11**	**25**	**-12**	**364**	**296**	**-64**
REAL FINAL DOMESTIC DEMAND	0	-7	-1	-17	52	-96

Manitoba